

For KCC Use:
 Effective Date: 6-29-2010
 District #: 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well
 Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form. 7-1-2010

Expected Spud Date: July 02 2010
month day year

Spot Description:
SE NW SW Sec. 20 Twp. 34 S. R. 3 E W
(1000/0)
1,650 feet from N / S Line of Section
990 feet from E / W Line of Section

OPERATOR: License# 32679
 Name: AAS OIL COMPANY
 Address 1: 2508 EDMONT DR. SUITE#4
 Address 2: _____
 City: Arkansas City State: KS Zip: 67005 + _____
 Contact Person: Dennis K. Shurtz
 Phone: 620-442-7940
 CONTRACTOR: License# 32854
 Name: Gulick Drilling Co.

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

Well Drilled For: Oil Enh Rec Gas Storage Disposal
 Well Class: Infield Pool Ext. Wildcat Other
 Type Equipment: Mud Rotary Air Rotary Cable
 Seismic; # of Holes _____
 Other: _____
 If OWWO: old well information as follows:

County: COWLEY
 Lease Name: Marrs Well #: 4
 Field Name: Gibson

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Nearest Lease or unit boundary line (in footage): 990
 Ground Surface Elevation: est. 1153 feet MSL
 Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: 150
 Depth to bottom of usable water: 280

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 300
 Length of Conductor Pipe (if any): none

Projected Total Depth: 3430
 Formation at Total Depth: Mississippian

Water Source for Drilling Operations:
 Well Farm Pond Other: _____
 DWR Permit #: _____

(Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

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 KANSAS CORPORATION COMMISSION

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
 It is agreed that the following minimum requirements will be met:

JUN 23 2010
 CONSERVATION DIVISION
 WICHITA, KS

1. Notify the appropriate district office *prior* to spudding of well;
2. A copy of the approved notice of intent to drill *shall be* posted on each drilling rig;
3. The minimum amount of surface pipe as specified below *shall be set* by circulating cement to the top; in all cases surface pipe shall be cemented through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary *prior to plugging*;
5. The appropriate district office will be notified *before* well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date.
 Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 6-23-10 Signature of Operator or Agent: Mike Engellecht Title: Agent WALK-IN

For KCC Use ONLY
 API # 15 - 035-24360-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 300 feet per ALT. I II
 Approved by: hwa 6-24-2010
 This authorization expires: 6-24-2011
 (This authorization void if drilling not started within 12 months of approval date.)
 Spud date: _____ Agent: _____

- Remember to:
- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
 - File Drill Pit Application (form CDP-1) with Intent to Drill;
 - File Completion Form ACO-1 within 120 days of spud date;
 - File acreage attribution plat according to field proration orders;
 - Notify appropriate district office 48 hours prior to workover or re-entry;
 - Submit plugging report (CP-4) after plugging is completed (within 60 days);
 - Obtain written approval before disposing or injecting salt water.
 - If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.
- Well will not be drilled or Permit Expired Date: _____
 Signature of Operator or Agent: _____

20
34
3

m

2

For KCC Use ONLY

API # 15 035-24360-0000

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: AAS OIL COMPANY
Lease: Marrs
Well Number: 4
Field: Gibson

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - SE - NW - SW

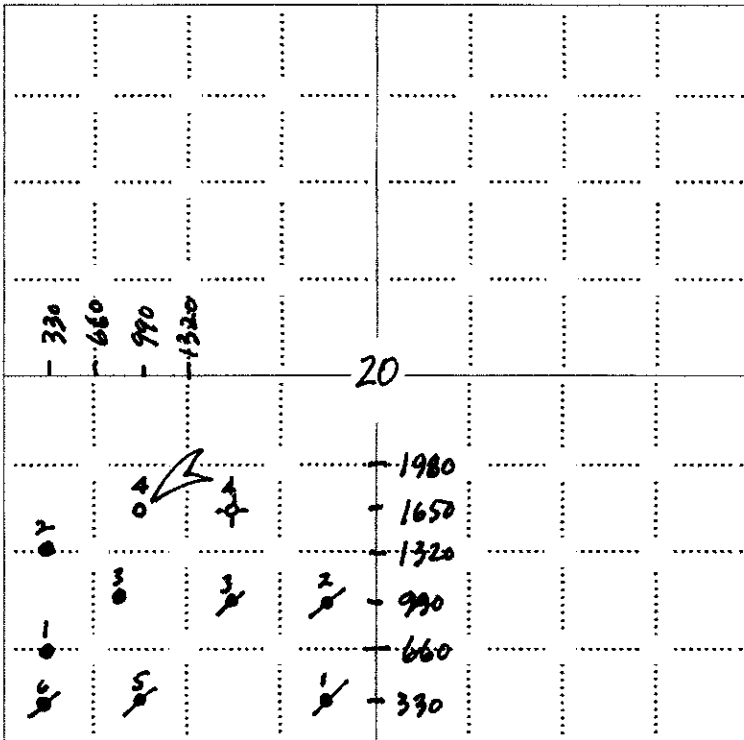
Location of Well: County: COWLEY
1,650 feet from N / S Line of Section
990 feet from E / W Line of Section
Sec. 20 Twp. 34 S. R. 3 E W

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

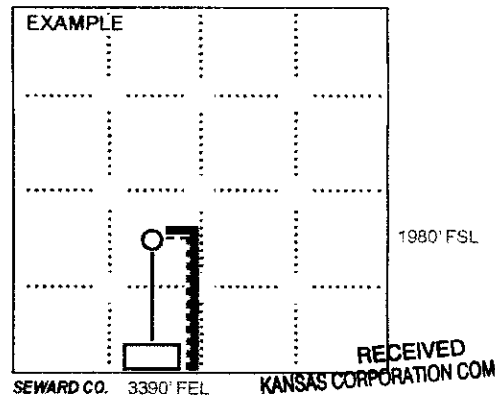
PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



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JUN 23 2010

CONSERVATION DIVISION
WICHITA, KS

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: AAS OIL COMPANY		License Number: 32679	
Operator Address: 2508 EDGEMONT DR. SUITE#4		Arkansas City KS 67005	
Contact Person: Dennis K. Shurtz		Phone Number: 620-442-7940	
Lease Name & Well No.: Marrs 4		Pit Location (QQQQ): _____ SE _____ NW _____ SW Sec. 20 Twp. 34 R. 3 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1,650 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 990 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section COWLEY County	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 400 (bbbls)		
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? NATIVE MUD	
Pit dimensions (all but working pits): 20 Length (feet) 10 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: 2874 feet Depth of water well 23 feet		Depth to shallowest fresh water 18 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Native Mud Number of working pits to be utilized: 3 Abandonment procedure: Natural dry & back fill when dry. Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.			
<u>6-23-10</u> Date		<i>Mike Engelbert</i> Signature of Applicant or Agent	
RECEIVED KANSAS CORPORATION COMMISSION JUN 23 2010 CONSERVATION DIVISION WICHITA, KS			
KCC OFFICE USE ONLY			
Date Received: <u>6-23-10</u> Permit Number: _____		Permit Date: <u>6-23-10</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

15-035-24360-0000